

FBIS

DAILY REPORT

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NEW LATIN AMERICAN COMMON MARKET ANNOUNCED

PY091844 Madrid EFE in Spanish 1817 GMT 9 Jul 86

[Text] Buenos Aires, 9 Jul (EFE) -- A senior Argentine Foreign Ministry spokesman today confirmed the creation of a Latin American common market. He noted that Argentina, Brazil, and Uruguay will be the first members of this organization.

The spokesman added that "President Raul Alfonsin and his Brazilian counterpart, Jose Sarney, will make the announcement on 28 July" during Sarney's visit to Argentina.

URUGUAY PRAISES INTEGRATION

PY090336 Paris AFP in Spanish 0028 GMT 9 Jul 86

[Text] Montevideo, 8 Jul (AFP) -- Uruguayan Foreign Minister Enrique Iglesias, referring to the possible establishment of a common market between Uruguay, Argentina, and Brazil, said Uruguay views with great sympathy the progress made by Argentina and Brazil regarding economic integration.

During the past few days, government sources in Argentina and Brazil announced the establishment of the basis for a true subregional market will be formalized on 28 July, when Brazilian President Jose Sarney visits Buenos Aires. The same sources disclosed that Uruguay would join the agreement on 8 August, when President Julio Sanguinetti visits Brasilia, but Minister Iglesias did not confirm this.

The Uruguayan minister admitted that during the past few months the three governments have taken effective and historic steps toward integration.

He added that the consolidation of economic integration between these two countries (Argentina and Brazil) benefits the entire subregion, including Uruguay.

MINISTERS EXPLAIN 'REACTIVATION PLAN', WAGE HIKE

PY040310 La Paz Cadena Panamericana in Spanish 0000 GMT 4 Jul 86

[Excerpts] Through Decree No. 21,316, the Bolivian Government has raised salaries, created the National Employment Committee, and established procedures for the use of an \$85.8 million loan.

The executive branch has thus put into motion its economic reactivation plan, which will supplement Decree No. 21,060.

In a news conference held at government palace, the ministers of finance, labor, transport, and information explained the government plan. The 10-page decree consists of 5 chapters and 31 articles. Through this decree, the government expects to promote economic reactivation, to reduce unemployment by 50 percent, and to make the best possible use of foreign loans. [passage omitted]

Commenting on the salary increase, Finance Minister Juan Cariaga said:

[Begin Cariaga recording] First of all, I would like to say that the Finance Ministry devoted long hours to studying the impact of this salary increase on the public finances. I want to assure all of you that this salary increase will not generate inflation because it will be duly financed through funds available at the National Treasury. In other words, this salary increase will not provoke price increases or changes in the dollar exchange rate, which has remained stable for the past 23 weeks. [end recording]

Labor Minister Walter Rios Gamboa commented on the creation of the National Employment Committee, designed to fight the high unemployment rate prevailing in the country.

[Begin Rios recording] I want to start by saying that the unemployment rate stands at 18.5 percent of a total estimated work force of 2 million people. This means that there are approximately 350,000 people unemployed. [passage omitted] [end recording]

[Paris AFP in Spanish at 0155 GMT on 4 July adds that "the government of President Victor Paz Estenssoro today approved a decree whereby it increased the national minimum wage from 30 million pesos (\$15.7) monthly to 40 million pesos (\$20.9)."]

OPPOSITION DENOUNCES ADN-MNR LEADERSHIP ACCORD

PY062204 Paris AFP in Spanish 1323 GMT 5 Jul 86

[Text] La Paz, 5 Jul (AFP) -- ADN [Nationalist Democratic Action] Deputy Edgar Barrientos has reported that the ADN and the Nationalist Revolutionary Movement [MNR], which received the majority of votes in the 1985 elections, have agreed to share the leaderships of the Chamber of Deputies and the Senate for the next congressional period.

Barrientos said it was agreed to have the Senate chaired by an MNR representative and the Chamber of Deputies chaired by an ADN representative.

Asked about announcements made by MNR leaders concerning negotiations with smaller parties, Barrientos said the agreement with the ADN was reached with the guarantee of Victor Paz Estenssoro, the president of the Republic and MNR leader.

In November 1985 Paz Estenssoro and ADN leader Hugo Banzer signed a democratic accord to implement a similar political-economic program within the framework of the constitutional process.

The opposition parties in Congress have denounced the MNR-ADN accord as a clear expression of their intention to monopolize Bolivian policy-making through bipartisan actions, thus denying other political organizations the chance to express themselves.

GARCIA MEZA ACQUITTED OF SELLING GUEVARA DIARIES

PY031555 Madrid EFE in Spanish 0033 GMT 3 Jul 86

[Text] La Paz, 2 Jul (EFE) -- Adalid Cuellar, president of the Military Court, today reported that former President Luis Garcia Meza has been acquitted of charges of selling the diary of Argentine-Cuban guerrilla leader Ernesto "Che" Guevara.

Guevara's diaries were sold by a military man whose name will be released at the conclusion of the military trial, Cuellar said.

The diaries of Guevara and guerrilla leader "Pombo" are now at Sotheby's Auction House in England, from where the government intends to retrieve them.

The Bolivian Armed Forces had kept the diary since it thwarted Guevara's campaign in 1967, when he tried to extend guerrilla warfare in that country.

The Supreme Court is also trying Garcia Meza for several alleged crimes committed against individuals and the Constitution during his government (1980-81).

BRIEFS

FRG OFFERS FINANCIAL AID -- Foreign Minister Guillermo Bedregal has announced that, as a result of the FRG-Bolivian Joint Commission Meeting that opened in La Paz a few hours ago, the FRG has earmarked DM85.75 million for the reactivation of the Bolivian economy. He added that another DM32 million will be earmarked for the renewal of other projects. He also said the FRG will offer other funds for road construction and cottage industry projects. [Summary] [La Paz La Red Panamericana in Spanish 1130 GMT 4 Jul 86 PY]

FUNARO ANNOUNCES BOND ISSUE FOR FOREIGN FUNDS

PY090354 Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 Jul 86 p 28

[Text] Brasilia -- Brazil will issue bonds and "commercial paper" to obtain funds on the international market. This announcement was made yesterday by Finance Minister Dilson Funaro, who said "this will have to take place in the second half of 1986 to normalize the domestic situation." According to the minister, the time is favorable for this type of initiative because "we are not experiencing a crisis."

"This is a test Brazil has to conduct," said Funaro, recalling that notes or securities from the Bank of Brasil and the national Treasury may be issued. According to the minister, this matter will have to be discussed in September when he plans to go to Europe, one of the markets Brazil intends to reach in addition to Japan and the United States.

Funaro said that some contacts have already been made with the banks of some countries and that the contacts were positive. "They are beginning to open credits for Brazil," Funaro stated, adding that 2 years ago, all export and import banks were closed to Brazil. Funaro said not it is necessary to verify "whether this market exists and, if so, we want to do business."

EBN PRESIDENT, SUPERINTENDENT APPOINTED

PY090332 Rio de Janeiro O GLOBO in Portuguese 8 Jul 86 p 6

[Text] Brasilia -- Justice Minister Paulo Brossard has reported President Jose Sarney yesterday signed a decree appointing journalists Rui Lopez and Luiz Recena Grassi as Brazilian News Agency (EBN) president and superintendent, respectively.

Rui Lopez, former chief of the Brasilia bureau of the newspaper FOLHA DE SAO PAULO and current adviser to the office of Senator Severo Gomez (Brazilian Democratic Movement Party -- Sao Paulo), will replace journalist Carlos Marchi, who resigned Friday. Luiz Recena, who was born in Uruguaiana, Rio Grande do Sul state, is already working with the EBN and is acting president of the National Federation of Journalists. Brossard said the appointment of the two journalists followed his "personal selection," based on their "competence and qualifications to inspire confidence."

BRIEFS

OIL FIELD DISCOVERY -- Petrobras has discovered an oilfield 3.5 km northeast of the Corvina field and 83 km from Cape Sao Tome. The 8-square-km field has an estimated reserve of 44 million oil barrels. A 273-meter well has yielded 2,200 barrels of oil daily in the new field. The oil is of 29 degrees, by American Petroleum Institute standards. [Summary] [Rio de Janeiro O GLOBO in Portuguese 5 Jul 86 p 20 PY]

EXPLOSION BLACKS-OUT PORT AFTER PINOCHET DEPARTS

PY100321 Paris AFP in Spanish 0259 GMT 10 Jul 86

[Text] Talcahuano, 9 Jul (AFP) -- A bomb explosion tonight caused a blackout in the Chilean port of Talcahuano, 530 km south of Santiago, just after President Augusto Pinochet departed for Concepcion.

The blackout, which affected a wide section of downtown Talcahuano, occurred at the conclusion of a ceremony organized by the National Action Movement, at which Pinochet was the main speaker.

The police indicated that the partial blackout was caused by a bomb explosion that damaged powerlines in the downtown sector. There were no casualties.

The attack occurred as the president was returning to Concepcion on the 3d day of his visit to this agro-industrial region in south-central Chile.

No organization has claimed responsibility for the attack, although similar attacks have been claimed by the clandestine leftist Manuel Rodriguez Patriotic Front (FPMR), which advocates armed struggle against the military regime.

'VIOLENT INCIDENTS' DISRUPT STUDENT'S FUNERAL

PY091739 Paris AFP in Spanish 1633 GMT 9 Jul 86

[Text] Santiago, 9 Jul (AFP) -- Violent incidents broke out here today during the funeral of Rodrigo Rojas De Negri, a student who died on 6 July from burns suffered when he was set on fire during the 2-3 July demonstrations against the government of General Augusto Pinochet.

Carabineros attacked with tear gas and water cannons nearly 3,000 people who were marching in a funeral procession to the General Cemetery after an outdoor requiem mass held at the El Salvador Church.

According to AFP correspondents who witnessed the incidents, the trouble started when some youths began to protest the presence of Carabineros personnel, who were watching the funeral.

Relatives have blamed a military patrol for the attack on Rojas and on student Carmen Quintana Arancibia, who was also seriously burned, but the Chilean Government has rejected the charge.

STUDENTS KIDNAPPED, BURNED IN VALPARAISO

PY100228 Santiago Radio Chilena in Spanish 2300 GMT 9 Jul 86

[Excerpt] Another man has been sprayed with flammable liquid in the Fifth Region. I am going to read a report on this incident published today by LA SEGUNDA.

The article is entitled "Another Case of a Man Kidnapped and Burned in Valparaiso." The victim, who was hospitalized in Vina del Mar, was a computer student. He was kidnapped last night by unidentified individuals on Conde Street in Valparaiso. He was then taken by car to Concon, where he was released, but he was kidnapped again a few minutes later by the same individuals, who took him in another vehicle to the international road sector near the Rotonda in Concon.

The kidnappers then beat him up, sprayed him with a flammable liquid, and set him on fire. LA SEGUNDA reports that the Carabineros precinct in Vina del Mar identified the victim as Mario Antonio Araya Marchant, 24, who lives on Cerro Larrain Street in Valparaiso. [passage omitted]

OPPOSITION LEADERS REJECT ACCORD WITH COMMUNISTS

PY062250 Paris AFP in Spanish 1635 GMT 6 Jul 86

[Text] Santiago, 6 Jul (AFP) -- Chilean Christian Democratic [PDC] and Social Democratic leaders have rejected the possibility of achieving a political agreement with the Chilean Communist Party, although they admitted that the three political parties agree that the government of General Augusto Pinochet must end.

The Christian and Social Democrats are members of the moderate Democratic Alliance [AD] coalition, while the Communists head the People's Democratic Movement [MDP] along with a branch of the Socialist Party and the MIR [Movement of the Revolutionary Left]

MDP leaders had reported that the AD and the MDP would soon reach an agreement on a single proposal to find a solution to the constitutional crisis that Chile is experiencing after the two blocs supported the 2-day national stoppage held on 2 and 3 July.

But PDC Vice President Gutemberg Martinez has said the PDC will not sign any agreement with those sectors that promote violence, which means that there is no possibility of an agreement with the Communist Party. The PDC leader made this statement in an interview published today in the newspaper EL MERCURIO.

Martinez said it is necessary to establish negotiations with the Armed Forces. These negotiations should lead to a provisional government that could last 1 or 2 years, after which the country would have a freely-elected president.

Social Democratic leader Rene Abeliuk has said that at this time there is no possibility of achieving political pacts or agreements with the Communist Party.

But, he added, we obviously agree with them in that we want an end to the military regime and a return of the democratic system.

In a statement made on 4 July, President Pinochet alluded to an eventual agreement between the Marxist and moderate sectors. He warned that it seems some want to establish the Nicaraguan model in Chile, but the question here is whether to have order of chaos.

Pinochet warned that Chile does not want either anarchy or revolutions and noted that the Armed Forces will continue to guarantee the enforcement of the 1980 Constitution, which has extended his presidential term until 1989.

VALUE-ADDED TAX TO PROTECT DOMESTIC INDUSTRY

PY012005 Santiago Domestic Service in Spanish 2300 GMT 30 Jun 86

[Text] The Finance Ministry will impose a 5, 8, 10, 12, and 15-percent value-added tax on subsidized imports that seriously harm the domestic industry because of their artificially low prices. This decision has been enforced through Law No 18525, which establishes several regulations for the importation of goods.

The law, published in the gazetter, establishes that the president will decide what goods will pay the tariffs or reciprocal duties. Taxes will not remain in force for over 1 year. An Advisory Committee will be created, chaired by the director of Operations of the Chilean Central Bank, and will have the following members: The Central Bank auditor, the Central Bank Project Department manager, Economy and Finance Ministry representatives, the Custom Department director, the Foreign Ministry Economic Relations Department director, and the State Auditor.

The law states that the Committee will investigate charges of price distortion on the world market. If the Committee undertakes an investigation, it will recommend the minimum prices, tariffs, or reciprocal duties that will apply in the case of imports with artificially low prices.

Article 1 of the law conveys the spirit of the law, stating that all imported goods must pay tariffs and all applicable taxes.

ARMY REPORT CONFIRMS EXECUTIONS IN PRISONS

PY091902 Paris AFP in Spanish 1805 GMT 9 Jul 86

[Text] Lima, 9 Jul (AFP) -- Peruvian Congressional sources have unofficially reported that a secret Armed Forces Joint Command report admits that 89 Shining Path guerrillas were executed at the Luringancho Prison during the prison riots last month in Lima.

The document, which was presented 2 days ago to the Congress, says Republican Guard Colonel Rolando Cabezas was responsible for ordering 52 policemen under his command to undertake the operation on 19 June.

Since the public denunciation of the executions by president Garcia, the Peruvian Congress has been investigating the tragic events. The first document to be discussed in a closed session was the one drawn up by the Armed Forces Joint Command.

Initial conclusions of the report say that 133 prisoners died in the 3 prisons, as well as 4 soldiers, but it is also admitted that the number of dead is probably greater because many bodies have still not been able to be removed from the rubble of El Fronton Prison, which was shelled by the Navy.

According to congressional sources, the report states that personnel from the 501st Operations Battalion of the Army were sent in support to the Luringancho Prison, but were not authorized to intervene in the riot.

ANTIDRUG OPERATION NETS 14 PLANES IN TINGO MARIA

PY062309 Paris AFP in Spanish 0154 GMT 5 Jul 86

[Text] Lima, 4 Jul (AFP) -- Interior Minister Abel Salinas reported here today that the police have destroyed 144 landing strips and confiscated 14 planes used by drug traffickers. He said that this occurred during an antidrug operation carried out over the last few days.

Salinas said that trained police troops also confiscated 46,000 kg of cocaine base; 400,00 kg of coca leaves; and about 120 different kinds of guns. In addition, about 100 kg of chemical products used by the cocaine manufacturers were confiscated.

The interior minister added that the police found about 2 million intis (\$11,764) aboard an aluminum motor boat.

The operation was carried out in the Uchiza jungle area, near the city of Tingo Maria, located at 600 km northeast of Lima.

LUSINCHI CITES ACHIEVEMENTS ON INDEPENDENCE DAY

PA051904 Caracas Television Service in Spanish GMT 5 Jul 86

[Speech by President Jaime Lusinchi on Independence Day, from the federal palace in Caracas -- live]

[Text] Citizen president of the Congress of the Republic; citizen vice president of the Congress of the Republic, citizen president and members of the Supreme Court of Justice; citizen president and members of the Supreme Electoral Council; citizen president and members of the Judiciary Council; citizen vice Admiral Wolfgang Larrazabal, former president of the Government Junta; citizen ministers, members of the Executive Cabinet; citizen governor of the Federal District; honorable National Congress senators and deputies; Your Excellency and most reverend Apostolic Nuncio, senior member of the diplomatic corps; your Excellencies, Ambassadors of friendly countries; honorable Charge d'Affairs; citizen attorney general of the republic; citizen officers, members of the Military High Command, citizen secretary of the National Security and Defense Council; citizen president of the Federal District Municipal Council; citizen president of Sucre District, Estado Miranda, municipal council; citizen presidents of autonomous institutes and state enterprises, citizen deans of the national universities; citizen presidents and directors of the national academies; your excellencies and most reverend auxiliary bishops of Caracas; citizen representatives of the media; distinguished guests; fellow citizens:

The commemoration of our independence is always an appropriate time to stop along the way and reflect on the country's situation, the path undertaken by the democratic government, and Venezuela's perspectives in these difficult times. I do not exaggerate when I say that we, the Venezuelans, are a privileged people because we have an inexhaustible source of historic inspiration: Our struggle for independence glorified by the heroism of our foregatherers, and in particular, by the perseverance and inspired vision of our liberator, Simon Bolivar.

The most important lesson learned from this process and the efforts of those men and women who made personal sacrifices during this independence struggle is very simple and important. Nations are built by overcoming difficulties, challenges, and changes. A country with a legacy such as ours cannot resign itself and wait for the future; it must build it.

Since the day of our independence, Venezuela has experienced complex and not always encouraging times. However, today we can say that, despite all the difficulties, the homeland has found a very significant way to express our people's feelings. We have strengthened the democratic order, and the ever-present challenge is based on confronting the obstacles we may encounter, always protecting our supreme value of freedom.

At a time like this, it is important to review the situation and make plans for the future. The government's fundamental duty is to evaluate the situation of the country with a sense of criticism and self-criticism. We are bent on re-examining the state's domestic and foreign actions, to reaffirm its dignity, and achieve the people's trust in the system we chose and its institutions.

In this stop along the way I can humbly and firmly say that we have put our own house in order. With serenity and prudence, my government not only curbed some of the crucial aspects of the crisis that was affecting the country, and which affected key state institutions, but also firmly reaffirmed a path toward the stability of our political order.

The rulers of a democratic country must act with a vision of the future. When I was sworn in, I mentioned that there would be a continuous national deterioration if we did not act on time and with courage to prevent this. I say it again and without boasting, the measures we adopted, based on a political policy balanced between cautiousness and boldness, have contributed to protecting democracy from serious dangers and recovering a sense of dignity for the government efforts. Venezuela is now capable of confidently building its future. The defense of democracy, as a system of government, and the rejection of authoritarianism continue to be our main goals. The moving moments of my meeting with the children of the political refugees from other Latin American countries are very vivid in my mind. I met with these children and shook their hands during my trip to South America. In our country they found love, work, and freedom. When I met with them I realized the importance of our democratic order. We must never alter our purpose of protecting it and we must prevent, at all costs, the return of our nation to such terrible situations that have harmed our countries and affected Latin America's role [proceeding word in English] in world politics.

The democratic governments of Latin America now have to strengthen their societies, their economies, and the rules of the political game, in very unfavorable conditions, to tell the truth. Venezuela is deeply involved in the process of building a hemisphere sown with the seed of freedom and driven to development with a social sense. Our solidarity with the best Latin American causes cannot be questioned.

Democracy is not perfect. This has never been denied. However, it offers the possibility for gradual improvement in every order through dialogue and agreement of ideas and positions. The imperfections of democracy cannot be blamed on the system per se. Democracy establishes a framework for changes without the use of violence, and if this framework is broken and divided the responsibility rests on the people of that country, in their limitations, and not on democracy itself.

All false modesty aside, Venezuela can give its brothers of the continent an example and a message. The example has to do with the creation of a group of rules for political struggle. These rules were accepted by the government, as well as the opposition, and are aimed at overcoming the differences without harming our stability. Our message speaks of the need for the democratic governments to act for the good of the nation and put aside all other interests, and calls on the opposition to act with responsibility, with a long-term vision, and without attempting to gain temporary political benefits by means of superficial and demagogic criticism that in the end only harms us all.

This concept of state is the one that we have tried to reinforce in our foreign actions. We have consolidated the sense of diplomacy of the Venezuelan foreign policy and it must serve -- and under my government it has served -- the interests of the nation rather than the interests of a party or group.

The foreign policy promoted by this government is the foreign policy of the Venezuelan state. It is open, in practice, to consultations, dialogue, and debates for its formulation and implementation. This is a coherent and firm foreign policy. It is not rhetoric. We act with moderation and prudence, which are essential factors in the international activities of a serious and democratic country.

I will repeat this: We uphold a state-minded diplomatic and political position in our foreign policy and we will keep it this way.

For years our country had unfortunately existed on a continent where authoritarian regimes prevailed. We can still see some dark spots, tragic dictatorial regimes on the Latin American map, and why not say it, we can also see serious threats to liberty.

We emphatically reject all attempts to return to the past in support of dastardly interests. We will remain alert with solidarity. All and all, the tendency to democracy has been growing and the ambitions of liberty of our nations are becoming irresistible.

The new democracies and others that, like ours, have existed for decades, should unite and support political advances with increasingly solid social and economic development.

Bolivar's integrationist idea gains relevance as time goes by. It is not an illusory desire or simple historic invocation, but a specific objective of great economic and geopolitic importance.

From the point of view of Venezuela, Latin America appears like a space for natural historic, geographic, political, social, and economic communication. We have decided to promote joint and united efforts among our nations. We realize that integration is a necessary process that presents difficulties.

We have to lay the foundations for an economic and political community based on practical concepts that should become specific initiatives which may be effectively backed and which take into consideration the true situation of our markets, production capabilities, and development priorities.

The growing rapprochement among our nations can yield fruits only in a climate of regional peace.

Venezuela is firmly committed with diplomatic efforts aimed at restraining conflicts in the Central America area and at channeling them toward moderate solutions, based on negotiations, reconciliation, mutual tolerance, and the consolidation of democratic regimes respectful of human rights.

In addition to the positions of solidarity that make us close to the Central American people, what is happening there has undeniable political and strategic importance for Venezuela. However, we don't view ourselves as main actors in the Central American drama. Our role in that area has been clearly treated by my government in the context of relations among states. We have given a diplomatic sense to our presence and we have united our efforts with those of other states to participate in a common project of peace and understanding.

The countries of the Contadora and Support Groups have tirelessly made efforts to reduce tension in the area, to keep the path of dialogue open, and to have reason prevail over force and intransigency.

We have not acted with quixotic motivations, but in line with a cold and careful analysis of the roots of the conflicts affecting the region and of the factors acting on it, because we believe that warlike options, which sometimes are tempting from a short-term point of view, are unfailing stimuli for continued instability and for the emergence of more, and worse, confrontations.

The Contadora initiative was new in Latin America, but there are precedents of subregional cooperation organizations in other parts of the world. Such organizations were created to restrain and minimize conflicts in their respective geographic areas, to control foreign meddling, to facilitate equitable solutions, and to prevent an increase in tension.

The success for failure of these initiatives can be noticed in many fields and at different moments.

Venezuela's objectives are still the same: to avoid war and to promote peace in a democratic context. We will persist in our search for peace this way because we are convinced that only through multilateral work will we be able to effectively influence events in the area.

With the same firmness with which we reject war and all kinds of warlike interventionism, we also expect to secure solid guarantees for democracy and liberty in the region.

I believe it is timely to reiterate our respect for the principles of international law and our rejection of the use of violence as a tool in international relations. It is precisely the most powerful states that are most obliged to defend the norms that must rule civilized relations among countries.

Disregard for international law mechanisms is an alarming sign, an unmistakable sign of deterioration and of unforeseeable grave consequences.

Venezuela's behaviour as a member of the UN Security Council is one of total abidance with the UN Charter, with the principle of mutual tolerance and respect among member states.

We will constantly defend the concept of international relations based on the principles of equilibrium, moderation, and harmonious coexistence.

For this reason we are actively participating in all the efforts aimed at stopping the senseless nuclear arms race.

Now I want to state our firm support for the initiatives of the heads of state and government of Argentina, Greece, India, Mexico, Sweden, and Tanzania, who will be meeting in Mexico City soon to continue a truly constructive dialogue in favor of important aspects having to do with nuclear disarmament.

In pondering our foreign policy, we must refer to the Caribbean. Venezuela makes a great efforts to maintain relations of friendship and cooperation with the Caribbean states.

We have made notable progress in delimiting our sea boundaries with various Caribbean states and we have strengthened the ties that link us to them with specific efforts in the political, economic, and cultural fields.

We were particularly pleased with the visits of the prime ministers of Trinidad-Tobago, Aruba, and Dominica; the multiple contacts which have brought us closer to other states in the region; and the dialogues which I had the opportunity to hold with the prime ministers of Grenada, St. Vincent, St. Lucia, and the Bahamas, when the Caribbean Development Bank recently held its assembly in Caracas. In most of the cases these are young states which have barely begun an independent existence and which, given their sizes and conditions, are facing special challenges for their security and socioeconomic development. We have advocated joint actions with all these countries, based on the principle of shared responsibility.

Venezuela does not pursue hateful hegemonies. It extends its hand in support of these states, based on the democratic values which guide our political policy. There are also the principles which guide Venezuela's relations with its close neighbors: Colombia, Guyana, and Brazil. We are convinced that the differences which may exist concerning border issues can be resolved through a direct dialogue, based on mutual respect. We believe in relations that are based on mutual trust.

The border issue is complex and sometimes liable to manipulation and distortion, and not always for good reasons. That is why I must clearly state that Venezuela cannot and will not give up its deeply-rooted vital interests. However, we will continue with our efforts to establish structures of solidarity at various levels with our neighbors. Consequently, we must modernize and bring the debate on our border issue out of its stalemate. Criticism alone is not enough; all the details of the problem are well known. It is now necessary to make positive proposals which are not based on opportunism, and really decide to attain a national consensus which leads to the appropriate solutions.

We greet the dignified and democratic transition in Columbia, a sister nation with which we have many links. Likewise, we are satisfied with the obvious improvement in our relations with the Cooperative Republic of Guyana. The nation's sincere vocation for dialogue was proved by its president and we are encouraged to renew efforts for a rapprochement, cooperation and for rational and wise solutions to our current differences. Regarding Brazil, we are engaged in all overall effort for rapprochement and trade. We are aware of this enormous potential of this and hope to strengthen the lines which unite us. A democratic Brazil engaged in all overall economic development program is undoubtedly a factor which contributes to the continent's geopolitical stability and progress; and strengthens liberty in this part of the world.

Venezuelans, men and women, I wish to briefly summarize the ideas which I have discussed, emphasizing once more that my government acts in accordance with a good understanding of national dignity and the values of democratic stability. We fervently believe that we have restored professionalism to the country's foreign policy, and we have given it the character of a state policy that is above personal interest and simple ideas about the complex international situation. This government is not overly pretentious; our pride is actually based on the fact that we have given democracy renewed strength, in accordance with a clear awareness of priorities.

Whenever it is necessary to make adjustments and adapt to a new situation, my government's main goal will be the achievement of a democratic development...[3-second break in reception] without traumas, within a framework of stability and growing confidence in a future of welfare and security for all the Venezuelans. We have had to face the severe problems that we inherited, and we are doing so with tenacity. We have countered apocalyptic situations and have serenely risen to the challenge of our debt and the drop in oil prices, responsibly establishing a negotiation framework that allows us to fulfill national pledges, while continuing with our national efforts for economic and social development. I am convinced that most Venezuelans understand and support the essence of my government's efforts. It is a matter of turning a Venezuela based on a fictitious bonanza and unrestrained excesses, into a Venezuela that is based on creative work, austerity, and indestructible democracy efforts.

We have done what we had to do. We could not have avoided sacrifice to complete the transition. As democrats, we accept criticism and know that our course of action has limitations and that it can be perfected. At the same time, we reassert our conviction that we work for the good of the country and the people.

Fellow citizens and representatives of friendly government and peoples: We commemorate our independence on this 5 July, yet we also commemorate the 160th anniversary of an important event in the history of Latin America's international relations, namely, the Amphyctonic Congress of Panama held in 1826 and convoked by Liberator Simon Bolivar. As of this congress, Latin American peoples took the initial steps toward unity and accord. History has registered this event as the starting point of the multilateral experience that today allows developing peoples to struggle for their rights more consistently and systematically.

Let us then confirm our faith in the principles that led Bolivar to this restless struggle for the unity and sovereignty of our countries. The times of the holy alliance -- more of an alliance than it was holy -- have been left behind. Bolivar and the great heroes and thinkers of our peoples marked the path for us. Today, 160 years after that visionary event, our task is to tread that path with modesty, equilibrium, and determination, now that freedom and the principle of unity are strengthened and renewed in our peoples.

I would like to conclude with a message of healthy optimism, with our hope, as usual, for a Venezuela that is free, prosperous, stable, vigorously democratic, and willing to make a joint effort with all friendly countries in the search for good will and creating harmony. To our people and all the peoples of the world, cheers and freedom. [applause]

USSR DEPUTY MINISTER CONDEMNS U.S. CONTRA AID

PA090451 Caracas EL NACIONAL in Spanish 1 Jul 86 p D-20

[Report on news conference given by Viktor Komplektov, Soviet deputy foreign minister, at the Foreign Ministry in Caracas; date not given]

[Text] USSR Deputy Foreign Minister Viktor Komplektov has condemned the U.S. Government for giving support to the contras in Nicaragua, because such aid obstructs the Contadora peace efforts.

After a long conversation with Venezuelan Deputy Foreign Minister German Carrillo Nava and Foreign Ministry officials, Komplektov, who will be in Venezuela for 3 days, talked to journalists in one of the rooms of the Foreign Ministry headquarters. After emphasizing the need for these talks at a Foreign Ministry level, he condemned the U.S. position when answering the journalists' questions.

"We condemn such a decision against the Contadora efforts," he said.

At the beginning of the conversation, Deputy Foreign Minister Komplektov commented on the reasons for his visit:

"The objectives are simple. This is my first visit to Venezuela and in this regard our interest is very significant. Generally our objectives is to maintain the permanent political dialogue that exists between the two countries regarding the importance of certain international problems and the importance of being able to agree on the solutions for these problems. We believe a dialogue is a way to seek a reapproachment between two countries in search of the solutions to the problems that concern us."

The deputy foreign minister talked about the need to strengthen the ties between Venezuela and the USSR.

"I can say," he added, "that our two countries may have different views on international problems, but they understand the need to find solutions to these problems."

Later he talked about the topics mentioned in the conversation and said:

"We talked about the problems of security and the possibility of reducing the danger of a nuclear war. We know about and appreciate the Venezuelan foreign policy initiative and we also know about its participation in international problems and institutions such as the UN Security Council, disarmament meetings, and Contadora, and we share many points of view. We have informed them about the USSR's position regarding the proposal for arms reduction and the need for peaceful and bilateral cooperation for space exploration; arms reduction and disarmament may contribute to the investment of important financial resources that could benefit humanity."

[Question] What does your country think about contadora's future after the U.S. Congress has approved more aid for the contras?

[Komplektov] We decisively condemn the attitude of the U.S. Congress because it in no way contributes to a political and peaceful solution to the Central American problem or to the crisis. The attitude of the U.S. congress is directed against the Contadora peace efforts, which have international support.

ARANIAN ENVOY INVITES LUSINCH FOR VISIT

PA011710 Caracas Television Service in Spanish 0000 GMT 1 Jul 86

[Text] In Caracas, Iranian Ambassador ('Ali [name indistinct] Manshandi) has met in Miraflores with President Lusinchi. The diplomat made official an Iranian Government invitation for Lusinchi to visit.

Following the meeting, the Iranian ambassador said his country, as an OPEC member, will respect any decision made by that organization as long as it benefits all member countries:

[Begin recording] We are trying to stop the drop in oil prices. We must make all efforts to prevent oil prices from dropping lower than current levels. We must make decisions to ensure such a policy. [end recording]

DE LA MADRID SAYS ELECTIONS REAFFIRM REVOLUTION

PA091711 Mexico City Red Nacional 13 Imevision Television in Spanish 0300 GMT 9 Jul 86

[Report by Humberto Mares]

[Excerpt] President Miguel de la Madrid said during a working tour of the Federal District that the Mexican people have reaffirmed their belief in the doctrine and the ideology of the Mexican revolution through the electoral process.

The president carried out a working tour of four neighborhoods in the Federal District during which he inaugurated 95 billion pesos worth of transportation and road projects. Speaking to the members of the National Chamber of the Transportation and Communications Industry, the president said that by consensus, Mexicans have decided to reaffirm our belief in a more just and egalitarian society and in our independence and national sovereignty.

[Begin de la Madrid recording] We have also confirmed our belief that we want to continue to be a society of free men, a society based on democracy where power comes from the big majority, where the citizens are protected from arbitrary actions within a de jure state, where each person can fulfill his own destiny in accordance with his own will, and where each person can believe in what he wants to believe, without threats or coercion. [end recording]

President Miguel de la Madrid added that freedom of conscience exists when there is no attempt in a society to impose beliefs or ideologies through coercion. The president reiterated his belief that we are a strong people who do not let themselves be defeated by difficulties. [passage omitted]

Vote Counts Updated

PA091531 Mexico City Red Nacional 13 Imevision Television in Spanish 0300 GMT 9 Jul 86

[All figures as heard; passages between quotation marks recorded]

[Text] The PRI has admitted in Chihuahua that it is losing in the preliminary vote count in Nuevo Casas Grandes and Gomez Farias municipalities. The same is occurring in Ensenada, Baja California. In the capital of Chihuahua, supporters of the National Action Party [PAN] used cars to block the main streets. Here are reports by our special correspondents on the post-electoral situation:

[Correspondent Emmanuel Haro Villa] "Artemio Iglesias Miramonte, president of the state leadership committee in Chihuahua, has reported that PRI gubernatorial candidate Fernando Baeza is leading his closest competitor, the PAN candidate, by 125,925 votes. The PRI has obtained 298,397 votes and the PAN 172,492 votes. The PPS [People's Socialist Party] candidate for Gomez Farias municipal president, and the PAN candidate in Nuevo Casas Grandes, are ahead of the PRI candidates. The PRI state leader said that his party will acknowledge the defeats:

[Iglesias Miramonte] "If the citizens say that this is the person they want to govern them during the next 3 years, then the PRI will have no other choice but to state with much sorrow that we did not do enough and that the victory falls to those who won."

[Correspondent Juan Manuel Pereyra] "New figures were released today on Sunday's elections in Michoacan to elect the governor and the local congress. Out of the 1 million PRI voters in the rural areas, 80 percent voted for the PRI. In the municipalities of (Tundiscatio), Arteaga, and Larzaro Cardenas, the PRI obtained between 85 and 90 percent of the votes. The PAN admitted that in the rural areas where the PRI is strong, the votes were not in its favor. PAN state leader Francisco Calderon said that his party will publicly admit its defeat in these elections."

[Correspondent Emma Galvan] "In Zacatecas, the PRI is leading, with 322,000 votes from 1,050 ballot boxes counted. This was reported by Carlos Rivera, the delegate of the PRI national executive committee in Zacatecas. So far, almost 90 percent of the 1,334 ballot boxes installed in the 56 electoral districts have been counted. The PRI victory in Zacatecas is confirmed by the vote count, Rivera said. While the PRI has obtained 322,000 votes, the PAN has obtained 9,200, the PPS 2,100; the PSUM [Unified Socialist Party of Mexico] 515; the PST [Socialist Workers Party] 625; the PRT [Revolutionary Workers Party] 275; the PARM [Authentic Party of the Mexican Revolution] 215; and the PMT [Mexican Workers Party] 35 votes. There are 925 invalid votes."

[Correspondent Daniel Miranda] "In the Baja California elections to choose 4 municipal presidents and 15 local deputies, 80 percent of the ballot boxes in the state have been counted. To date, the figures are as follows: In Mexicali, Guillermo Andres Tejada, PRI candidate to the municipal presidency, has obtained 74,638 votes, while the PAN candidate has PAN candidate has 36,552 votes. In Tijuana, Federico Valdes, PRI candidate for mayor, has 82,850 votes and Manuel Salazar of the PAN has 26,552. In Tecate, the PRI has obtained 6,144 and the PAN has 3,184. In Ensenada municipality, (Armando Ballinas Mayez), the PRI general delegate in Baja California, admitted that the PAN was leading at this time, but that 20 percent of the ballot boxes have yet to be counted."

PAN Protests Reported

FL091516 Bonaire Trans World Radio in English 1130 GMT 9 Jul 86

[Text] In Mexico, opposition activists took to the streets yesterday to denounce results of the weekend gubernatorial elections accusing the ruling party of fraud. As rush hour ended in the city of Chihuahua, supporters of the Francisco Barrio, the gubernatorial candidate for the National Action Party or PAN blocked 17 busy streets in the first public protests of the weekend results.

FUNDS INCREASED FOR ANTIDRUG CAMPAIGN

PA090354 Mexico City EL NACIONAL in Spanish 3 Jul 86 pp 1, 6

[By Pedro Jimenez]

[Excerpt] The federal government has provided an additional 1 billion pesos for the antidrug campaign. With this, a total of 8.2 billion in resources will be used by the republic's Attorney General Office (PGR) in that effort this year. That office pointed out that such an increase in funds shows that Mexican authorities have not decreased the human, material, and financial effort to fight drug trafficking despite budget restrictions. [passage omitted]

CHINESE VICE FOREIGN MINISTER VIEWS DISARMAMENT

FL091554 Mexico City NOTIMEX in Spanish 0430 GMT 9 Jul 86

[Text] Mexico City, 8 Jul (NOTIMEX) -- Chinese Vice Foreign Minister Qizhen Zhu has said that China, like Mexico and other countries, requires peace for economic construction, development, and increased standard of living.

Upon speaking on the topic "China's Independent and Peaceful Foreign Policy" in the Matias Romero Institute, the official said his country, like Mexico, is in favor of prohibiting nuclear weapons and uniting peace-loving countries and peoples in the common struggle against another world war.

The Chinese vice minister also said his country is in favor of peacefully settling disputes through negotiations based on equality without the threat or use of force.

Qizhen Zhu said everything that contributes to world peace and stability can count on China's support, while every hegemonic act will be rejected, no matter where it originates or what form it takes.

China is in the process of modernization, said the official, and as a result needs a peaceful, lasting international environment. He added that unless nuclear weapons are greatly reduced, there will be no other alternative but to become defensive and break the monopoly and blackmail practiced by the superpowers.

The Chinese official stressed that independence and self-determination are basic principles of China's foreign policy and because of this, China will never be oppressed by the superpowers or by blocs of countries. China will not become an ally or establish strategic relations with any superpower, said the Chinese official.

CANAL COMMISSION SAID TO OWE \$54 MILLION TO TREASURY

PA081845 Panama City MATUTINO in Spanish 8 Jul 86 pp 1-A, 6-A

[By Roberto R. Rodriguez]

[Text] The Panama Canal Commission owes the national treasury 54 million balboas [\$54 million] from a number of surpluses over the past few years. With no explanation, the commission has not made the corresponding payments to the Republic of Panama according to the provisions established in the Torrijos-Carter Treaties of 1977.

Dr Carlos Ozores Typaldos, Panamanian member of the Panama Canal Board of Directors, recalled that in addition to the 54 million, there is another 11.7 million surplus produced during the 1985-1986 fiscal year. Ozores said they have noticed a tendency in the commission to spend that money "hurriedly" in order not to deliver that money and pretend there is a balance between the revenues and the expenses during the 1985-1986 fiscal year, which will end on 30 September.

Ozores state that these expenses "are not concealed" but are reflected in unnecessary overtime to avoid compliance with the agreed upon canal treaties.

The Panamanian member of the Board of Directors noted that this situation has been detected in time, and that there will be an "emphatic presentation" of this problem next Thursday at the Board of Directors meeting. Ozores also reported that the sum the Panama Canal Commission owes the Panamanian Government include 10 million balboas for general services such as garbage collection, firemen, and others.

Ozores emphasized: "This is money that belongs to us -- it is not a capricious position." Ozores added that given Panama's economic situation, it cannot allow other governments, in the this case the U.S. Government, to owe us large sums.

Ozores said another conflict that will be discussed with the commission and its president, U.S. citizen William Gianelli, is the refusal to deliver, as had been agreed upon, the financial report on the enlargement of the Culebra Cut. This leaves open and without any justification the decision to present the report in October, or during the first session in 1987, to be held in January 1987.

MATUTINO has learned that the report is ready, as are the technical and the feasibility reports, which may well be an "indication that the commission plans to delay the work and thus evade responsibility for the cost of the work, which should be financed by the U.S. Government.

International Policy

Finally, regarding the dissatisfaction of PRD [Revolutionary Democratic Party] members over the lack of aggressiveness by the national government over the attacks and the need for a more firm defense, Dr Ozores said that the PRD will request changes in the Panamanian Embassy at the UN.

Foreign Minister on Payment

PA091612 Panama City MATUTINO in Spanish 9 Jul 86 pp 1, 8-A

[Text] Panama will demand from the U.S. Government the payment of some \$60 million that it owes as a result of the annual surplus that has been registered in the Panama Canal Commission since the Torrijos-Carter Treaties went into effect.

Yesterday, Panamanian Foreign Minister Jorge Abadia Arias said the Panamanian Government is already working in this regard, but that the demand will be made through diplomatic contacts.

Abadia added that to government team has been formed in order to deal with "a very old, reasonable, and fair demand." The group will act in a responsible and serious manner, without virulence, but with firmness.

This is a new attempt by the Delvalle government to recover the money. The matter was discussed during the last meeting of the Panama Canal Board of Directors in Washington. The board will meet in Panama today and the surplus issue will be brought up for discussion.

However, the U.S. Government refused to give the aforementioned sum of money to Panama, alleging that canal operations have not resulted in profits, but in a deficit.

Panamanian analysts believe the sum could increase, adding that certain decisions made by the majority of the Panama Canal Board of Director members prevent an in-depth examination of the financial records of the office that administers the canal, in order to conceal the measures adopted to finance the multi-million expenses of U.S. canal employees, which are not included in the treaty.

BELIZEDUTIES INCREASED ON 83 TYPES OF GOODS

FL082202 Belize City THE BELIZE TIMES in English 6 Jul pp 1, 12

[Excerpt] In one fell swoop the Esquivel government imposed cruel tax increases on the Belizean public last Friday in a specially convened sitting of the House of Representatives, followed immediately in the afternoon by a meeting of the Senate. The prime minister increased custom duties on 83 different classifications of goods (affecting hundreds of items). The tariff increases averaged a 15 per cent additional tax in some cases going as high as 30 percent.

Most imported food products have been increased including those which we do not produce locally but which have become part of the Belizean diet. Luncheon meat will now pay 30 percent duty. So too will vegetables, fresh and chilled (including tomatoes, carrots, sweet peppers, cabbage, string beans, other peas and beans, lettuce).

Most spices have been raised to a 40 percent duty (30 plus 10) including pimento, cinnamon, cloves, nutmeg, rhyme and ginger. Even the price of table salt will go up by 15 percent as a result of these painful revenue measures. Sugar confectionary (for cakes) will now pay 55 percent, biscuits -- 45 percent, cocoa -- 45 percent.

Fertilizers too will go up by 15 percent -- a direct added cost to farmers (of course the very big boys will not be affected, they enjoy duty free concessions. It is the small and medium sized farmers who will pay).

Construction materials, vital to home building such as steel, wire mesh, plywood -- those too have been increased by 15 percent. Paints will now pay 60 percent duty.

Household ite. did not escape the new raise-up taxes. Soaps will now pay 45 percent. So ~~too~~ will sanitary napkins. Refrigerators -- 50 percent, air-conditioners 45 percent, radios and t.v.'s -- 60 percent, stoves -- 60 percent.

Exercise books, greeting cards and office supplies were also hit with the new tax measure. These include filing cabinets, paper, files, and envelopes.

These massive tariff increases, now come shortly after the UDP administration twice raised the stamp tax on imported goods from 8 to 12 percent. This across the board 12 percent will now be added on after the new custom duties are included in the value of the goods. After the merchant has added on his percentage margin of profit, a 15 percent tax increase will lead to a much higher increase than 15 percent on the shelf price of the goods.

The government's declared excuse for these new tax measures is to align the custom tariffs to protect Caricom goods. [passage omitted]

COSTA RICAMINISTER ANNOUNCES ANTI DRUG OPERATIONS

PA091339 San Jose Radio Reloj in Spanish 0100 GMT 9 Jul 86

[Text] Public Security Minister Hernan Garron has reported that a series of operations will begin in our country to fight drug trafficking. The United States Drug Enforcement Agency will cooperate in these operations, Minister Garron said. The cooperation will include some airplanes and boats, which will be used for the investigations that will soon be carried out, the minister added.

Our country's naval fleet will also be used to fight drug trafficking, it was stated by Public Security Minister Hernan Garron. He added that even though the cost of operating the fleet on a constant basis will represent an expense of 800 million colones, the sacrifice must be made. Furthermore, naval bases in Caldera and Molina will be built for this project, the security minister added.

The struggle against drug trafficking is difficult, and it worsens every day, Garron said. He added that it is difficult given the interests which prevail and the amounts of money involved. He said this is a worrisome problem because bribes are used to operate in our country, particularly is more evident concerning the use of private airports.

Garron added that the struggle against drug trafficking is constant and firm, and nothing will stop the narcotics agents. Likewise, he said that even though they do not have enough resources, they have no qualms about continuing with the struggle with firmness.

EL SALVADORCUBANS, LIBYANS BANNED; NICARAGUA RESTRICTED

PA100313 Panama City ACAN in Spanish 2148 GMT 9 Jul 86

[Text] San Salvador, 9 Jul (ACAN-EFE) -- It has officially been reported that the Salvadoran Government today banned the entry of Cubans and Libyans and restricted that of Nicaraguans into El Salvador.

Rene Garcia Araniva, director general for immigration, reported that the measure was taken because a group of Cubans, with visas from the Salvadoran Consulate in Panama, entered the country recently and then mysteriously disappeared.

Only Cubans residing in the United States and who have received a visa in that country will be allowed to enter El Salvador. No Libyans will be allowed to enter the country.

The measure also restricts the entrance of Nicaraguans. Garcia said, however, that in this case "we cannot be adamant" due to the agreements with the UN High Commissioner for Refugees, UNHCR.

Garcia added: "El Salvador cannot close its doors against Nicaraguan refugees who flee the Sandinist regime."

According to the official source, Nicaraguans can enter Salvadoran territory provided they have a special permit given to them by the Interior Ministry, of which the General Immigration Directorate is a part.

HONDURASLOPEZ CONTRERAS ON GREEN BERETS TRAINING CONTRAS

PA092033 San Pedro Sula TIEMPO in Spanish 8 Jul 86 p 2

[Text] Tegucigalpa -- The government "has not authorized the operation of the Nicaraguan counterrevolution in the country." Therefore, "it cannot allow the training of the anti-Sandinists by the Green Berets in national territory," Foreign Minister Carlos Lopez Contreras said yesterday.

Moreover, he said that he does not agree with an apocalyptic version of the Central American crisis and said he is in favor of the OAS intervention in the conflict only if it deteriorates into a confrontation between nations.

Lopez Contreras said: "The main characteristics of the crisis, besides underdevelopment, are the internal rather than international conflicts in the countries." He added that "somehow the (latest) solution proposed by Contadora has had a (disruptive) effect on the nations."

Lopez Contreras also said that "Contadora now has few prospects" and noted that he has warned that new Colombian President Virgilio Barco Vargas is in favor of taking the conflict to the OAS.

The Honduran foreign minister is in favor of this idea "only if the Central American situation develops into a conflict between joint forces of the United States and one nation, and armed forces of another."

Lopez Contreras said that should the situation continue as it is now -- internal conflicts in the countries, according to the description -- it will be necessary to have a regional initiative among presidents or at the foreign minister level.

Asked whether or not the Honduran Government will allow the training of contras by the Green Berets in national territory, Lopez Contreras responded:

"The government cannot allow that, because it has not authorized the operation of the counterrevolution."

U.S. TROOPS ACCUSED OF CHEMICAL WEAPONS USE

PA090043 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 8 Jul 86

[Text] We have a report for the INTER PRESS SERVICE agency: A former rector of the National Autonomous University of Honduras [UNAH] has accused the U.S. troops of using chemical substances against Hondurans who oppose the Reagan administration's foreign policy. Juan Almendarez, who was rector of the UNAH between 1981 and 1984, said that the U.S. soldiers stationed at Palmerola Air Force Base in Comayagua used unidentified chemicals in an attempt to disrupt the Honduran Women's National Assembly for Peace.

Almendarez, who is a physiology professor at the medicine faculty, has revealed that the women who were protesting the presence of foreign troops were victims of a chemical substance which immediately provokes psychic disturbances. He said that the red dust is a substance which irritates the respiratory system, eyes, and several parts of the body. A total of 600 persons were affected by the substance while holding a demonstration in Comayagua's central park 86 km north of Tegucigalpa.

The Palmerola Air Force Base is located on Comayagua's outskirts with more than 700 U.S. soldiers permanently stationed there. The assembly for peace was organized by the Visitacion Padilla Women's Committee, a group of women who demand a stop to the foreign military intervention in Honduras.

Almendarez added in his report that several Hondurans affected by the substance are still suffering certain diseases, such as conjunctivitis and bronchial disorders, although the incident took place on 28 June. The former rector also commented that the presence of U.S. soldiers and anti-Sandinist contras is causing changes in the Honduran people's health. He said some of the diseases which have been imported include the Acquired Immune Deficiency Syndrome or AIDS, urethritis, Flower of Vietnam, and a type of malaria that is resistant to the medicines normally used.

Almendarez said the U.S. soldiers and the contras are not subject to the Public Health Ministry's control, and added that insecticides which have been banned in the United States are being sold in Honduras. These include hexachlorobenzene, Bicloran 240, and others.

The Armed Forces have stated that these reports are groundless and merely aimed at undermining the friendly ties with the U.S. Government.

BRIEFS

NEW AMBASSADOR TO SPAIN -- Tegucigalpa, 2 Jul (ACAN-EFE) -- The Honduran Government today appointed Humberto Lopez Villamil, an attorney, as the new ambassador to Spain. Villamil will replace Ivan Romero Martinez, whom diplomatic circles have termed one of the best ambassadors Honduras has had in Spain. Lopez Villamil is a career diplomat, having served as ambassador to Chile, Peru, Bolivia, and Mexico and on other missions in Germany, the United Nations, and the OAS. [Excerpts] [Panama City ACAN in Spanish 1510 GMT 2 Jul 86 PA]

NICARAGUA

ORTEGA ADDRESSES MINE WORKERS IN CHONTALES

PA091300 Managua International Service in Spanish 0340 GMT 9 Jul 86

[Text] The U.S. Government should adopt a different attitude and advocate peace, Commander of the Revolution Daniel Ortega Saavedra has stated. The president recently addressed hundreds of workers of the La Libertad Mine in Chontales Department, some 150 km east of Managua.

[Begin Ortega recording] Of course, we cannot avoid talking about the aggression. We cannot avoid talking about the war. While we exert ourselves to make the country produce, while the workers and the state exert themselves to make these mines produce, but not to give the profits to a capitalist, a person, a family. The mine now belongs to a society, to the people, to the workers. Whatever is produced here will benefit all Nicaraguans, Nicaraguans in general will benefit from this mine. This will not make a person of a family get richer.

Well, while we are gathered here, exerting ourselves in the production sector, the U.S. Government and Congress have made decisions that are a veritable threat to the world's peace, and represent a direct action [corrects himself] -- a direct threat against the Nicaraguan people. You are all aware of the latest decisions adopted by the U.S. Congress, the approval of financial aid and weapons for the mercenary forces, the terrorist forces. You are aware that the International Court of Justice [ICJ] issued a ruling which proves that Nicaragua's position is just. It also proves that the U.S. Government's position is unjust because the United States is violating the law. The United States is acting as an international criminal because the ICJ could have ruled that the United States' behavior was correct and in accord with the law.

However, if the ICJ issues a ruling and clearly states that the United States has perpetrated and continues to perpetrate crimes against the Nicaraguan people, and must compensate the Nicaraguan people for the damages it has inflicted, and the U.S. Government replies by approving more weapons and money for the Nicaraguan people's killers, then the situation become complicated, the situation is more complex. The United States' actions represent an aggression against Nicaragua and an aggression against peace in the world. This is an act against world peace. At the very least, to defend ourselves, Nicaraguans can adopt measures for the defense of our country, strictly enforce -- we have already said this -- the laws of our country, and firmly adopt actions for the defense of our revolution.

Furthermore, we have been compelled to adopt measures that [passage indistinct] but we did not adopt these measures because we like them. We do not want these measures, but it is necessary to enforce certain measures. What measures have we adopted? For example, we had to indefinitely suspend the publication of LA PRENSA is Reagan's newspaper. It is the newspaper of the aggression. It is the newspaper which defends terrorism. It is the newspaper...[changes thought] it is the spokesman of the U.S. intervention and it is a newspaper which is financed by the U.S. Government, through the CIA. Consequently, we are in a situation of war and cannot allow this newspaper to continue to function because Reagan's messages are defended in our country through this newspaper. We had to suspend the newspaper for an indefinite period. The newspaper will be allowed to circulate when the aggression stops. It will be able to publish its pro-imperialist and pro-Reagan messages -- but the basic condition for this is what we no longer have a war in Nicaragua.

Consequently, we are not violating the freedom of the press in Nicaragua. We are not denying the free expression of ideas. We are avoiding the possibility that the United States' current aggression may become greater. The CIA is now free to continue carrying out the acts of terrorism which it carried out in previous years, when it blew up bridges, mines our ports, used Piranha boats to attack us, and attacked us with its airplanes. All that will undoubtedly return to our country, multiplied many times. Consequently, we continue to defend the freedom of press and freedom of thought, but we will not accept that all Nicaraguans' right to the freedom of press and thought be used to send a message in defense of terrorism and the counterrevolutionary actions. We cannot allow that. That is why we adopted the measure against the newspaper LA PRENSA.

Regarding the church, we are not enemies of any church in Nicaragua. The government, the FSLN, is not the enemy of any church, we are not the enemy of any church [repeats himself]. We have never been the enemies of any church. We do not persecute religious ideas in this country. We will never persecute religious ideas.

We do not persecute the freedom to worship in this country; we will never persecute the Nicaraguans' right to freely exert their right to worship in this country. It is easy to ascertain today, Sunday [corrects himself] -- Saturday, how many masses were celebrated in the country. Dozens of masses were undoubtedly celebrated in the country, and masses will also be celebrated throughout the country tomorrow, Sunday, along with other religious activities. Therefore, the church is not persecuted in Nicaragua by the revolutionary government. In Somozist times, in the Somozist past, well, the situation was different. The Somozists even murdered some priests, like Father Chico Luis in Esteli, and Gaspar Garcia Laviana. These priests were murdered by the Somozists because they were on the people's side. Following the revolution, the people's beliefs and religious worship have received all the support of the FSLN and revolutionary government -- and they will continue to receive this support.

The fact that we respect the people's beliefs and religious worship in the country does not render any clergyman immune to begin to conspire against the revolution and act as an agent of the counterrevolution, Reagan, and the CIA. No, we cannot allow that. That is not pastoral work. Pastoral work is carried out in the church, and it includes offering masses, baptizing and confirming, and other services given by the Catholic Church. Consequently, the pastoral work of a priest or a bishop is to organize and participate in religious activities, procession, and other pastoral work. We have nothing against this.

However, and this has happened, if a priest, whether or not, he is a bishop, openly and directly involves himself with Reagan's plan and comes to Nicaragua to defend this counterrevolutionary plan, we will not accept this. We will not accept this type of political behavior that violates the laws of our country, behavior that attacks the laws of the country and the Nicaraguan people.

Some priests have acted in this manner and the government has been very patient. We have talked to them, called their attention to this, we have made many proposals, but they continue to insist on working in favor of terrorism and aggression.

We have met with all the bishops, we have reached agreements, and then one of the bishops come out making statements that are the opposite of what we agreed on. And all this to create discontent. Why? So that Reagan may have more excuses to continue killing the Nicaraguan people. For this reason, we have been forced to adopt measures against a Catholic priest like Bismarck Carballo. He is in Miami and can stay in Miami. If he wants to enlist openly with the counterrevolution, let him do so. If he wants to come back to Nicaragua he must work for peace, for Reagan's aggression against Nicaragua to end. Once there is peace and not war in Nicaragua, he can return to the country.

Another priest who [word indistinct] is Bishop Vega, bishop of Chontales. Msgr Vega and I have talked. Only recently he talked with the [words indistinct]. But what was his answer to the government's efforts and its search for better relations between [words indistinct]? His reaction was a negative one. He went to the United States to openly support the financing of the mercenary forces. The worst part was that Msgr Vega went to the United States to meet with Enrique Bermudez, former colonel in the Somozist guard and leader of the FDN mercenaries, and with the other mercenary [words indistinct]. He met with them, had lunch with them, spoke to them, and defended them before the U.S Congress and people. He did this despite the fact that the U.S. people are against all aid to the mercenary forces and the war against Nicaragua.

Despite all this Msgr Vega spoke in favor of the war against Nicaragua. The U S. bishops have openly opposed Reagan's policy against Nicaragua, yet Msgr Vega goes to the United States and speaks against the position of the U.S. bishops and meets with the criminals Bermudez and Calero.

And yet he returned to the country as if nothing had happened. He returned to the country as if nothing had happened. However, the Nicaraguan people are getting killed. Children, women, and workers, die each day. Only recently a mine that the U.S. Government, that the U.S. Army, gave the mercenaries killed 12 children, 12 women, and 8 men. All of these people were peasants and workers. Twelve children were killed. Amid this situation of terror, of terrorism, experienced by the Nicaraguan people, when the International Court of Justice [ICJ] in the Hague is condemning Reagan's policy, Msgr Vega calmly holds a news conference for the international press and once again openly defends Reagan's policy. He was asked about the dead children and he said he knew nothing of this, that he had no information on this. He was asked about the aid to the counterrevolutionaries and he gave his support to this aid. He was asked about the invasion and he said the invasion is justified. He was asked about the ruling of the ICJ and he calmly said the ruling was biased towards Nicaragua. He gave diabolical answers. This makes us think that this man did not have God within him, he had the Devil within him and the Devil was the one speaking. A diabolical answer.

It is diabolical because he ignored the deaths of Nicaraguan children. It is diabolic because he ignored the death and suffering of the Nicaraguan people, and this is not a Christian feeling. Anyone who speaks and acts in this manner cannot be a Christian even if he is a bishop. It is not the head that makes the monk.

It would not be the first time that [words indistinct] betray their own principles for which they have a certain [words indistinct] the religious [words indistinct].

Therefore, we have been forced to adopt the measure of suspending the right to residence of Msgr Vega in Nicaragua because [words indistinct]. In Honduras he has the possibility of going to the counterrevolutionary camps and staying there because he identifies with those people. So it is better for him to be with those people instead of promoting unrest and resentment here among the people. The people get upset and they have demanded that we take strong measures against these people. Consequently, we are just reacting, in a justified way, and heeding the people's demands in this matter.

What did Vega do? Just like LA PRENSA and Msgr Caraballo, they [words indistinct] here in Nicaragua. Now, let them work for peace. Let them go to the United States to demand a halt to the aggression. Let them go to the United States to clearly state that women, children, the elderly, and workers are being killed here [words indistinct], so that we can soon have peace. And then, with peace in the country, they can return to Nicaragua. Now, they have to earn the right to return to Nicaragua by working for peace. They must work for peace if they want to return to Nicaragua. If LA PRENSA wants to circulate again, it must also work for peace. The sooner they work for peace, surely, the better the possibilities for us to reach peace.

We maintain our willingness to talk with the U.S. Government. We maintain our willingness to advance in the negotiations through the Contadora (?proposals). We want peace. We do not want war. We want peace. We wish we did not have to take these measures with LA PRENSA, Carballo, or Vega because Reagan is going to interpret it his way. Reagan is going to say that we are persecuting the church. Reagan is going to say that we are putting an end to the church in Nicaragua and the religious [word indistinct]

Reagan is going to say that we are enemies of freedom of the press and that is why we closed LA PRENSA. Many lies will be said against the Nicaraguan revolution. We are aware of the upcoming campaign after these measures. But they left us no other alternative or path. And the only one responsible for this situation of tension and crisis in Nicaragua and Central America is the U.S. Government. Therefore, the U.S. Government must change its attitude and seek a true peace. [end recording]

NATIONAL ASSEMBLY RATIFIES IPU DELEGATION

PA092316 Managua Radio Sandino in Spanish 0000 GMT 9 Jul 86

[Text] Today, with 65 votes in favor and one abstention from the Marxist-Leninist Peoples Action Movement, the National Assembly reconfirmed in their posts for this year the current directors for the Nicaraguan national delegation to the IPU.

The directors of the national group are: president, Commander Carlos Nunez; vice president, Commander Leticia Herrera; De Clemente Guido of the Democratic Conservative Party of Nicaragua; and Mauricio Diaz Davila of the Popular Social Christian party.

Also, ratified in their posts as secretaries were Subcommander Rafael Solis Cerda, Domingo Sanchez of the Nicaraguan Socialist Party, and Juan Tijerino.

EFE REPORTS RELEASE OF 47 POLITICAL PRISONERS

PA091645 Madrid EFE in Spanish 1632 GMT 9 Jul 86

[Excerpt] Havana, 9 Jul (EFE) -- The Cuban authorities have released 47 political prisoners, EFE was informed today by sources close to the former inmates.

The release of the prisoners, who were being held in the Combinado del Este Prison in the outskirts of Havana, took place yesterday, the sources said.

The released prisoners were serving prison sentences of over 20 years, which they will not serve as a result of the government's decision to release them. [passage omitted]

MALMIERCA SPEAKS AT NAMIBIA CONFERENCE

For the Moscow TASS report on the speech delivered by Cuban Foreign Minister Isidoro Malmierca at the International Conference for the Immediate Independence of Namibia, see the World and Regional Affairs section of the 10 July Soviet Union DAILY REPORT.

AGREEMENT SIGNED WITH MEXICO TO INCREASE TRADE

FL092224 Havana Radio Periodico del Aire 2130 GMT 9 Jul 86

[Text] With the signing of a cooperation agreement between Mexico's National Association of the Processing Industry [Canacintra] and the Cuban Chamber of Congress, the meeting with Mexico has concluded in Havana. The report of the work completed in Cuba by the Cancintra delegation, made up of representatives of 15 Mexican firms, and by Cuban enterprises and officials was also signed.

The agreement provides for cooperation between Canacintra and the Cuban Chamber of Congress and expresses the intention of increasing trade relations with Cuba in diverse economic and trade sectors.

ANNIVERSARY OF MONGOLIAN REVOLUTION MARKED

FL091310 Havana Radio Progreso Network in Spanish 1100 GMT 9 Jul 86

[Text] Friendship and solidarity between Cuba and Mongolia has been ratified during a ceremony held marking the 68th anniversary of the triumph of the Mongolian People's revolution hosted in Havana by the Cuban Movement for Peace and Sovereignty of the Peoples.

Orlando Fundora, president of the movement, and Bayarhuugiyn Nandzad Mongolian People's Republic ambassador to Cuba, presided over the ceremony.

CASTRO MEETS WITH MOTHER TERESA OF CALCUTTA

FL091207 Havana Radio Progreso Network in Spanish 1100 GMT 9 Jul 86

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, has received in Havana Nobel Peace Prize winner Mother Teresa of Calcutta, who is visiting Cuba as part of her Caribbean and U.S. tour.

Upon her arrival in Cuba, Mother Teresa was met at Jose Marti International Airport by Felipe Carneado, Central Committee member and chief of the Religious Affairs Office, and by Apostolic Pronuncio Giulio Einaudi.

SUGAR WORKERS UNION ANALYZES DEFICIENCIES

FL092210 Havana Radio Reloj Network in Spanish 2048 GMT 9 Jul 86

[Text] The National Committee of the Camaguey Sugar Workers Trade Union is analyzing deficiencies and errors in labor organization and salaries as well as measures to be taken by the workers movement.

A report presented to the delegates indicates that work norms are very basic and poorly applied in the majority of agroindustrial complexes and MINAZ [Ministry of the Sugar Industry] enterprises. The document points out that deficiencies in this area result from not observing some norms that, even though obsolete, are still in effect because they have not been updated.

Speeches by trade union representatives from several territories stressed the lack of correlation between salaries and production and the insufficient use of the sugar enterprises' capabilities.